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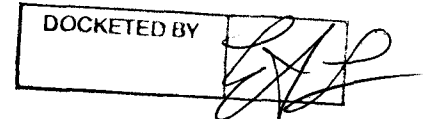
August 20, 2014

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

AUG 20 2014

RE: Docket #W-03514A-13-0111 & W-03514A-13-0142
Payson Water Company Rate Case



In order to provide a more legible copy of my Ethics Complaint to the record of this case, attached is the correspondence that transpired between the Executive Director, Jodi Jerich, and myself in this matter.

Kathleen M. Reidhead

Kathleen M. Reidhead
Intervenor from Deer Creek Village
14406 S. Cholla Canyon Dr.
Phoenix, AZ 85044

**Ethics Complaint****W-03514A-13-0111 &
W-03514A-13-0142**

Kwink77 . <kathiereidhead@gmail.com>

Wed, Jul 16, 2014 at 4:52 AM

To: jjerich@azcc.gov

Cc: carol.stiles@staff.azbar.org

Dear Ms. Jerich,

Attached is a letter I am submitting to complain against a statement made by Judge Dwight D. Nodes at the Open Meeting on 06/10/14. I am also asking you to re-open your investigation into another complaint made during the course of the Payson Water Company rate case, Docket #W-03514A-13-0111 and W-03514A-13-0142, where I was named as a witness but never contacted during your investigation.

Hard copy of this letter is in the mail to you.

Please let me know what actions you are taking at your earliest convenience.

Thank you.

Sincerely,

Kathleen M. Reidhead
Intervenor from Deer Creek Village

**ACC Ethics Complaint 071514.pdf**

766K

Jodi Jerich <JJerich@azcc.gov>

Tue, Jul 22, 2014 at 3:50 PM

To: "Kwink77 ." <kathiereidhead@gmail.com>

Dear Ms. Reidhead:

I am in receipt of your communication regarding comments made by ALJ Nodes at the June 10, 2014 Open Meeting and am in the process of gathering information to provide an answer to you.

In the meantime, if you would like to provide any statement to me regarding the actions of Commission employees during the rate case hearing, please do so.

Sincerely,

Jodi Jerich

Pg. 2/2

From: Kwink77 . [mailto:kathiereidhead@gmail.com]
Sent: Wednesday, July 16, 2014 4:52 AM
To: Jodi Jerich
Cc: carol.stiles@staff.azbar.org
Subject: Ethics Complaint

[Quoted text hidden]

Kwink77 . <kathiereidhead@gmail.com>
To: Jodi Jerich <JJerich@azcc.gov>
Cc: carol.stiles@staff.azbar.org

Tue, Jul 22, 2014 at 4:29 PM

Dear Ms. Jerich,

Are you re-opening your investigation into the George Chrisman complaint? Because you already came to a conclusion in that matter and posted it to the Docket of the case on 03/28/14 without contacting me or the other named witness, Tom Bremer.

I am certainly willing to make a statement if you are re-opening your investigation. Please advise.

Thanks.

Kathie Reidhead

[Quoted text hidden]

Kwink77 . <kathiereidhead@gmail.com>

Wed, Jul 23, 2014 at 7:19 PM

To: Jodi Jerich <JJerich@azcc.gov>

Cc: carol.stiles@staff.azbar.org, "SHAPIRO, JAY" <JSHAPIRO@fclaw.com>, Suzanne Nee <suzannenee.16@gmail.com>, "Steve Gehring" (stonemason9859@yahoo.com) <stonemason9859@yahoo.com>, tcbremer <tcbremer@netzero.net>, "glyr4@aol.com" <glyr4@aol.com>, Bill Sheppard <shep5965@aol.com>, GEORGE KERRY CHRISMAN <georgekerry2@msn.com>

Dear Ms. Jerich,

Attached please find my statement regarding my observation of Staff Attorney [REDACTED] signaling an answer to Staff witness [REDACTED] during the Payson Water Company rate case hearing.

Please let me know if you are re-opening your investigation into a complaint filed by George Chrisman, sworn to on 02/27/14, where I was named as a witness, but not contacted for a statement prior to yesterday.

Thank you.

Sincerely,

Kathleen M. Reidhead

On Tue, Jul 22, 2014 at 3:50 PM, Jodi Jerich <JJerich@azcc.gov> wrote:

[Quoted text hidden]

July 15, 2014

Ms. Jodi Jerich, Executive Director
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

RE: Payson Water Company Rate Case, Docket W-03514A-13-0111 & W-03514A-13-0142

Dear Ms. Jerich,

I wish to file this ethics complaint against Administrative Law Judge Dwight D. Nodes for his misrepresentation of the facts at the Open Meeting on June 10, 2014 in front of the Commissioners, who voted to approve a large rate increase in the referenced case that day. I am an Intervenor in that case.

Please watch a short portion of the archived video from that June 10, 2014 Open Meeting - the relevant part is at 04:28:50 - 04:30:11 (a little more than 1 minute).

After I ask Judge Nodes to clarify his statement about the WIFA loan surcharge, you will hear Judge Nodes say, ***"it was made permanent in the Phase 1 order and it continues in existence unabated by this subsequent order, so it continues in existence and continues to be charged by the Company at this time".***

That verbal statement is a direct contradiction to Judge Nodes' written language regarding that surcharge in 3 Decisions (follow these three links):

1) Decision #74175: <http://images.edocket.azcc.gov/docketpdf/0000148385.pdf>

See Findings of Fact #14 & #15 on page 8, lines 10-27 and page 9 lines 1-10, in part: ***"Staff asserts that approval of interim rates, through the WIFA loan surcharge and purchased water adjustor, is justified in this case given the substantial rate increases experienced by Mesa del Caballo customers over the last two summers associated with water hauling. (Ex. S-2, at 3.) "*** as well as page 15, Conclusions of Law, #6, ***"The interim rates represented by the Phase 1 WIFA loan surcharge are reasonable and in the public interest because PWC has a pending permanent rate case pending, as well as a financing application for the remainder of the Cragin Pipeline project;"***

2) Decision #74484: <http://images.edocket.azcc.gov/docketpdf/0000153891.pdf>

See Findings of Fact #3 on page 2, lines 9-10. ***"In Phase 1, the Commission granted the Company interim emergency rate relief related to the costs of constructing the pipeline".***

3) Decision #74567: <http://images.edocket.azcc.gov/docketpdf/0000154849.pdf>

See page 26, lines 22-24 ***"In addition, Staff contends that notice was not required for the Phase 1 proceeding because the Commission was granting emergency interim rate relief, which does not require notice or an opportunity to be heard."*** and page 37, lines 1-2. ***"...that notice was not required for the Phase 1 proceeding because the Commission was granting emergency interim rate relief, which does not require notice or an opportunity to be heard."***

This misrepresentation may have caused the Commissioners and other ratepayers to believe that only the ratepayers of Mesa del Caballo will continue to pay for that WIFA loan taken out for the TOP-MdC interconnect pipeline, which is not true. The WIFA loan surcharge approved in Phase 1 (Decision #74175) was not made permanent in the Phase 1 order as stated by Judge Nodes. Proof of that is the fact that it was still referred to as an "interim rate" in the 2 later Decisions #74484 and #74567 and there is no ordering language in Decision #74567 that makes it permanent. Ratepayers from all 8 communities served by Payson Water Company are now paying rates to cover that WIFA loan and the debt service under the permanent rate decision #74567 that was approved by the Commissioners immediately following this exchange. This mis-statement of the facts appears to be judicial misconduct or a very serious ethics violation. It is simply NOT true!

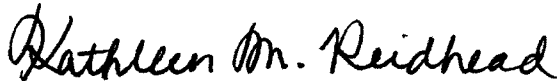
Please investigate this complaint and take appropriate action on this matter as soon as possible.

Furthermore, I was never contacted when you investigated an ethics complaint made by Mr. George Chrisman earlier in this case against Staff Attorney [REDACTED] even though Mr. Chrisman named me as a witness in that complaint. See your letter posted to the Docket on 03/28/14, available at this link: <http://images.edocket.azcc.gov/docketpdf/0000152076.pdf>. I ask you to re-open that matter and re-investigate it, this time interviewing all named witnesses including myself and another Intervenor, Mr. Tom Bremer who was also named as a witness in that complaint. I complained about this lack of proper investigation in my filing of 03/31/14, available at this link: <http://images.edocket.azcc.gov/docketpdf/0000152168.pdf>, see page 4, lines 11-19. I am also complaining that Judge Nodes did nothing regarding this improper investigation and allowed the appearance of bias to overshadow the remainder of the case. This is also a serious violation of ethics.

Please let me know the results of your investigation into these two matters at your earliest convenience.

Thank you.

Sincerely,



Kathleen M. Reidhead
14406 S. Cholla Canyon Dr.
Phoenix, AZ 85044

Intervenor from Deer Creek Village

cc: All parties to the case
George Chrisman
Carol Stiles - State Bar of Arizona

July 23, 2014

Ms. Jodi Jerich, Executive Director
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

RE: Payson Water Company Rate Case, Docket W-03514A-13-0111 & W-03514A-13-0142

Dear Ms. Jerich,

As per your email dated 07/22/14, I am submitting this statement to you about my observation of Staff Attorney [REDACTED] signaling an answer to Staff witness [REDACTED] during the rate case hearing on February 10, 2014.

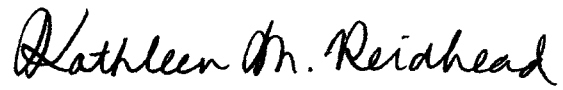
While [REDACTED] was being cross-examined by Intervenor Glynn Ross that day, I observed Staff Attorney [REDACTED] making an unusual face at one point during the proceedings so I kept my gaze on [REDACTED]. The witness [REDACTED] was seated to my left, while Glynn Ross was seated to my right, so I would turn my head to the right to observe the question being asked and then turn my head to the left to observe the answer being given. At one point, as Mr. Ross asked [REDACTED], "Do you feel sorry for this Company", I observed [REDACTED] (who was sitting directly next to Mr. Ross) make an unusual face, squinting her eyes and tightening her lips and then I observed her shake her head "no". I then heard [REDACTED] say the word "No" after [REDACTED] head shake.

Later, during a break in the proceedings, I told my husband what I had observed. Also that day, Mr. Chrisman mentioned to me that he had seen [REDACTED] signaling answers to the witness and I told him that I had also observed that on one occasion, even telling him the exact question that was being asked at the time I witnessed it.

I am unhappy that you concluded your investigation into Mr. Chrisman's complaint on 03/28/14 without contacting me, as I was named as a witness in his affidavit sworn to on 02/27/2014. I complained of that lack of proper investigation in my filing in the case on 03/31/14, available at this link: <http://images.edocket.azcc.gov/docketpdf/0000152168.pdf>, see page 4, lines 11-19. I expected Judge Nodes to intervene in this matter, but that never happened. That seems to be an improper action for him to take, as a Judge in the matter. The lack of proper investigation into the matter clearly indicated bias on the part of the ACC, which was allowed to overshadow the remainder of the case. I hope that you are now re-opening your investigation and interviewing all named witnesses at this time.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Kathleen M. Reidhead". The signature is written in a cursive style with a large initial 'K'.

Kathleen M. Reidhead
14406 S. Cholla Canyon Dr.
Phoenix, AZ 85044

Intervenor from Deer Creek Village

cc: All parties to the case
George Chrisman
Carol Stiles - State Bar of Arizona